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SPEECH DELIVERED BY

Mr. George Williams, M.L.A.

(WADENA)

Leader of the Opposition

in the Debate on the

**Address in Reply to the Speech
From the Throne**

in the

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Tuesday, February 16, 1937

PRINTED BY ORDER OF THE LEGISLATURE

SESSION 1937

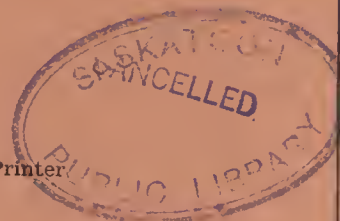
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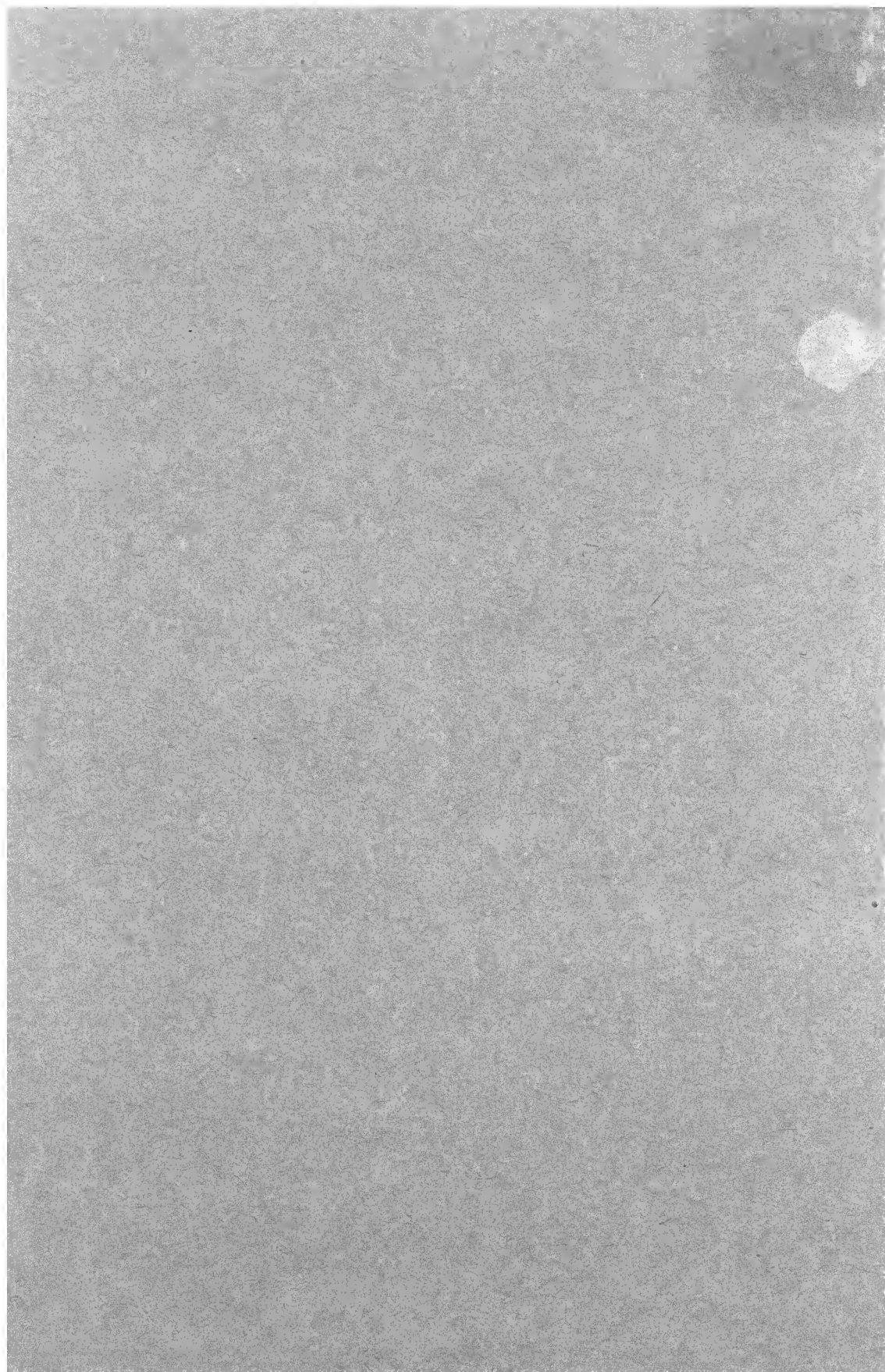
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SASKATOON

REGINA:

THOS. H. MCCONICA, King's Printer
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**Address in Reply to the Speech
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in the

Legislative Assembly of Saskatchewan

Tuesday, February 16, 1937.

Mr. Speaker: In rising to reply to the Speech from the Throne, I desire, as is customary, to compliment the mover (*Dr. Jardine*) and the seconder (*Mr. Johnson*) of the Address.

As for the Speech itself, I must confess to disappointment. In the Speech not only does the Government give notice that taxation will be increased at this session, but, in addition thereto, is guilty of misstatements and half statements of a most glaring nature. Referring to the selling policy of the Canadian Wheat Board, the Speech reads:

"The removal of this surplus has had a most beneficial effect on prices, and those farmers who were fortunate enough to harvest a crop in the fall of 1936 were able to sell it at a price much better than had obtained for several years."

Mr. Speaker, that statement betrays either a woeful ignorance of facts or a deliberate attempt to mislead. I have before me the report of the Canadian Wheat Board, crop year 1935-36. One finds, upon reading this report, that the Board not only was of opinion that it was in a very vulnerable position, but was so conscious of its guilt that it tried to write into the report a defence of its own actions, and this in a report which should have contained only hard, cold facts and figures. The defence reads:

"There has been criticism of the Board's selling policy since December, 1935, from some quarters. Just what these critics would have had to say if the United States had harvested anything like a normal crop off their large acreage of winter wheat planted in the fall of 1935, and if the promise of June, 1936, conditions in western Canada had been fulfilled, cannot now be known. It may be recalled that as late as June 23rd, 1936, one Canadian authority forecast a crop of 400 million bushels for western Canada, and on July 2nd, another well-known forecaster estimated a crop of 380 million bushels. Conscious that we possessed no supernatural power which would enable us to forecast weather and crops many months in advance, the Board consistently adhered to a policy designed to reduce the Canadian surplus to reasonable proportions by the end of the crop year."

It seemed obvious to the Board last winter that such was the only common sense policy to follow. It needed no special foresight to realize in January, 1936, that if crops in North America in 1936 proved to be large, then everyone would be thankful that a big reduction had been made in the Canadian carryover. If crops turned out poorly then this reduction in the surplus would have removed the greatest obstacle standing in the way of Canadian farmers getting a good price for their 1936 crop."

When a Board, in reporting on what it did with the 1935 crop, begins to explain and try to defend itself by saying, "should the 1936 crop be poor the farmers would get a good price for it," it is the strangest kind of reporting. The fact of the matter is that the Board knew it was selling wheat for less than supply and demand warranted. The Board must have had access to such crop reports as the following:

"The Dominion Bureau of Statistics, on July 9, issued a report giving numerical condition of all crops as at June 30, as follows: Lack of rain at crucial periods of growth led to a general decline in crop prospects in the three prairie provinces. At the end of June practically all conditions figures were lower than at May 31, 1936, or June 30, 1935. The drought triangle in southern and central areas that has been more or less evident since 1929 was the principal centre of deterioration with northern districts of Manitoba and Alberta having better prospects."

In the monthly review of the wheat situation issued by the Dominion for July, there is the following comment:

"Fall wheat prospects declined slightly during the month, while recurring drought on the prairies lowered the spring wheat prospects by nearly 14 per cent. Further deterioration has taken place in this crop since the correspondent reports were filed at the end of June."

In the same report there is the following quotation discussing the wheat situation in Canada:

"At the present time it is doubtful whether the new crop will bring an outturn equal to that of 1935."

United States Department of Agriculture issued a report on acreage, condition, yield, etc., on July 10th, covering condition of the crop as at July 1st:

"A United States wheat crop of 638,400,000 bushels in 1936 is indicated by conditions of July 1st. With the exception of three years it would be the smallest wheat crop produced in this country since 1917."

World wheat prospects published on July 31, 1936, by United States Department of Agriculture, under the heading "Prices", says:

"Up until early June a large enough surplus of wheat to put the United States on an export basis seemed likely, and prices at the time were adjusting downward to a shipping differential under Liverpool. However, as the drought conditions began to reduce spring wheat crop prospects prices strengthened and after the middle of June, as conditions grew worse, they registered the sharpest gains in recent years. From the low point in late May and early June to

July 10th No. 2 hard Amber Durum at Minneapolis rose 45 cents; No. 2 hard winter at Kansas City 26 cents; No. 2 red winter at St. Louis, 17 cents, and No. 2 dark northern spring at Minneapolis, 14 cents. Prices at Winnipeg and Liverpool, influenced by the same factors as the domestic markets, fluctuated much in the same manner. Since July 10th wheat prices in both domestic and foreign markets lost some of the gains despite further serious deterioration in the spring wheat crops in both the United States and Canada."

As the *Western Producer* points out editorially, in the issue of January 14, these reports were available to the public in early July and must have been available to the Canadian Wheat Board in late June.

In spite of this, examination of the selling figures discloses the fact that the Board deliberately sold more wheat in July than at any other time during the year, knowing when it did so that there was going to be a small 1936 crop. If we examine the figures, we find that the sales were:

1935	1935 Crop Sales	Old 1934 Crop Sales	Total
September	3,010,714	3,010,714
October	4,795,729	4,795,729
November	4,771,225	4,771,225
December	28,151,146	22,099,862	50,251,008
1936			
January	17,283,814	9,221,167	26,504,981
February	10,839,732	12,493,654	23,333,386
March	16,485,789	11,770,440	28,256,229
April	16,766,532	12,708,183	29,474,715
May	16,037,111	334,950	16,372,061
June	20,720,772	1,434,831	22,155,603
July	9,846,891	52,456,000	62,302,891

The old Board under McFarland operated until the end of November of 1935, and consistently held 1934 crop off the market during the months of September, October and November, to give buoyancy to the market and thus enable the farmer to sell his 1935 wheat on a stronger market.

The report reveals that as soon as Murray took over in December, 1935, he immediately dumped 50,251,008 bushels on the market. The report does not give the price per bushel obtained for this wheat. Charges have been made, however, that the Board deliberately filled orders under the market quotation to save operators in the market when Argentine raised her pegged price from 52 to 90 cents.

Hon. Mr. Davis: You dare not make that charge.

Mr. Williams: The rawest part of the whole deal, however, came in July of 1936, when over 62,000,000 bushels of wheat were dumped on a rising market just as the 1936 crop was coming onto the market. This action materially depressed the market, when it should have been kept buoyant, and cost the western farmer millions of dollars. Mr. Murray, the former secretary of the Grain Exchange, must have realized when he sold this grain, largely to Grain Exchange operators, that the price would eventually rise giving the grain speculators a nice profit, while if he held the wheat, thus keeping the market buoyant, not only would the farmer's market the new crop on a rising market, but the old wheat would also be sold at enhanced prices later on, thus showing a profit to the Board rather than a loss. Mr. Murray chose to destroy the market for both the Board and the farmer, and I cannot but think he did it intentionally, being former Secretary of the Grain Exchange. I think this Government, instead of trying to defend and whitewash actions of this kind, should be on the alert to prevent them in order that we might have every possible cent returned to Saskatchewan that our wheat should command on the market. It is the duty of this Government to protect the farmers of this province, and not Grain Exchange operators.

Like a little boy whistling to keep his courage up, the Government lauds the reciprocal agreement with the United States, declaring that the agreement has materially benefited the live stock industry. I am afraid it will take more than empty words to convince the farmers that the live stock market is anything but just plain rotten. The fact of the matter is that every person who marketed cattle this year, with few exceptions, will tell you he is disgusted with the market.

Hon. Mr. Dunn: Talk of something you know something about.

Mr. Williams: I market cattle. I'm not a school teacher.

The Northern Settlers' Re-establishment Scheme commented on in the Throne Address is anything but satisfactory to the settlers. The amount of assistance given is totally inadequate and a large amount of the land on which they have been placed for rehabilitation is marginal land.

In this connection I wish to quote from a letter appearing in the *Saskatchewan Farmer* and a portion of a letter to myself from Mr. Simmons, the Commissioner of the Board:

To the Editor, Saskatchewan Farmer.

"Sir:

"If you will allow me a little space, I would make a few notes for the observance of people who have to foot the bill for relief indebtedness.

"Here is a copy of a letter sent recently to a relief recipient who was trying to make himself more self-supporting:

'Sir: — re Feed and Fodder, 1935-36.

'We are in receipt of yours of 28th in which you apply for 20 bushels of feed wheat to feed your hogs and chickens. In reply we wish to advise that owing to the low market for chickens at the present time and further that no revenue may be expected from that source during the winter, the Government does not deem it advisable to supply feed to winter chickens. We would therefore ask you to dispose of them in order to purchase feed for your hogs.'

Yours faithfully,

(Signed) A. SIMMONS,

Superintendent.'

"The utter crass idiocy of such a letter is almost unbelievable, coming as it does from Re-establishment, the very place where they are supposed to give help. The applicant asked for four bushels of feed wheat for laying hens, the balance to fatten hogs. Is the market low for eggs? I think not; 30 cents per dozen here. But perhaps Mr. Simmons does not know how to get hens to lay in winter. In fact, I think he has a lot to learn yet. The hens cannot be sold as there is no market here for them, so they have to be killed and eaten."

Now Mr. Simmons' letter to myself:

Mr. George Williams, M.L.A.,
510 Kerr Block,
Regina, Sask.

"Dear Mr. Williams:

"Referring to yours of October 26th in regard to the method of allotting lands in the new blocks open for settlement, the procedure is as follows:

"When a single settler arrives at the camp bearing an eligibility certificate from his district inspector entitling him to file on land, this eligibility certificate along with a certificate covering the reasons for the abandonment of his old land are turned over to the location officer, who in this case, would be Mr. John Crick. The location officer then opens up four quarter sections of land from which the settler is allowed to make a choice. When two or more settlers arrive in camp at the same time, numbers are placed in a hat and the settlers draw from it to obtain their order of locating land, as 1, 2, 3 etc. No. 1 is taken out and given four quarters to choose from. Then No. 2 takes his place and is also given four quarters to choose from, and so on until all settlers have made their choice.

"Settlers naturally want to rove around the blocks at will and pick up all the most desirable quarters, and sometimes they are a little dissatisfied because their choice has to be restricted to a limited number of quarters. We have approximately 800 settlers who have to be moved and so far there are approximately only 800 quarters considered suitable for settlement. Therefore, all of these 800 settlers cannot be mobilized in these blocks at the one time and have to be taken up in parties of four or five from each respective district. The land is progressively thrown open to them from which to make their choice. If we allowed the early settlers, going into these blocks, to take their choice of the whole, these would choose the best quarters making it an outright injustice to the rest of the settlers who come in late and who are just as entitled to an opportunity of obtaining a first class quarter as are the early settlers.

"All land being opened for settlement has been carefully checked over. Naturally the amount of land available is limited and occasionally quarters are a little heavy to clear or probably are not of the best standard, but they are in every case considered fair, and superior to the lands which the settlers are abandoning."

Now, Mr. Speaker, with this very apparent shortage of good land to rehabilitate farmers forced out of the drought area, the drive for further agricultural immigration becomes all the more idiotic. It may be argued that there are farmers operating large farms in various parts of the province who wish to dispose of their holdings and that the new immigrants will be placed on some of this land. If this be the case, why in the name of common sense bring in inexperienced settlers to take up such land and send our own experienced people out to bush farms which never can be made to pay? It certainly does not seem a reasonable thing to do.

The Government's interpretation of the Privy Council decisions seems to have been influenced by what it wanted to think, not by logic. The Government argues that, because the *Farmers' Creditors Arrangement Act* has been declared legal that, therefore, it can do nothing further about debt adjustment and that the province has no power to adjust debts. The fact of the matter is that the Federal Act was declared legal because it was based on the powers given to the Federal Government to enact legislation in matters of bankruptcy and insolvency. The *Farmers' Creditors Arrangement Act* declares itself to be an Act to deal with the affairs of insolvent debtors and, therefore, has been declared *intra vires*. It does not follow that this Government has no power to pass legislation with respect to the adjustment of debts particularly, it would seem, of solvent debtors. It is to be remembered that the sole right to enact legislation with respect to property and civil rights falls within the jurisdiction of the provincial legislature, vested in the Legislature by the *British North America Act*. Most certainly, debts and legislation pertaining to debts come within the term "property and civil rights." Therefore, it would seem the Government has the power to bring down legislation with respect to these things.

While it is recognized that the Provincial Government has no power to arbitrarily adjust interest rates, it does seem that it does have power to pass legislation with respect to debts by virtue of the fact that property and civil rights fall within the jurisdiction of the Provincial Governments. The recent decisions of the Privy Council would seem to strengthen the hands of the province in that these decisions tend to increase rather than decrease the power of Provincial Legislatures. The Government can, if it so desires, settle this matter for all time by submitting a reference to the Privy Council. This the Government should have done long ago.

In the recent decisions, the Privy Council ruled that hours of labour, wages, unemployment insurance, all fell within the jurisdiction of the Provincial Governments. It is significant that, although this Government was eager to seize upon the declaration of the legality of the *Farmers' Creditors Arrangement Act* as an excuse to do nothing further about debt adjustment, it has failed utterly to take up the responsibility devolving upon it by the same decisions with respect to hours of labour, wages, unemployment insurance and marketing legislation. On these things the Throne Speech is absolutely silent.

Quotations from Hansard show quite clearly that Ottawa officially has washed its hands of social legislation of this type. I quote Hon. Mr. Rogers, Minister of Labour: Hansard, February 1.

"We now know, if there was any uncertainty before, that exclusive jurisdiction over hours, wages and unemployment insurance lies with the provincial legislatures; all doubts upon this point have been dispelled. That brings me to the second objection I take to the resolution which is now before the House. The provinces possess the jurisdiction to deal with labour and social legislation. This jurisdiction cannot be taken from them by violence or by any declaration that can be made by this parliament. It will not, in the light of existing judicial decisions, be transferred to the Dominion Parliament by the process of judicial interpretation. It can be given to the Dominion Parliament, in whole or in part, only by an act of voluntary surrender by the provincial Legislatures. The initiative, in other words, now lies with the provinces themselves."

Yet, though this Government was so anxious to seize on one decision interpreting it to mean that it could not do anything further about debt adjustment, it utterly failed to take any action on the other decisions with respect to hours of labour, wages and other social legislation.

Hon. Mr. Davis: They are right on the statute books now.

Mr. Williams: That's a joke.

Hon. Mr. Davis: It's like you then.

Mr. Williams: The honourable gentleman can be insulting if he so chooses, but I would rather he would be intelligent. The honourable gentleman knows full well that *The Minimum Wage Act* applies only in the cities, and then to only a few classes of labour.

Mr. Cahan, the former Secretary of State, had this to say, again quoting from Hansard:

"But where are we now? By successive decisions of the Supreme Court of Canada and the judicial committee of the Privy Council, it has now been held that all questions relating to compulsory insurance to salaries and wages and to hours of employment are vested in the province, since section 92 of the British North America Act states that legislating respecting property and civil rights in the province is vested in the province. This vast field of legislative action which is

now declared by the courts to be vested in the province is exclusively covered by that section dealing with property and civil rights in the province and the last clause, number 16, which reads: 'Generally' all matters of a merely local or private nature in the province."

Then Mr. Thorson, Liberal member and President of the Manitoba Bar Association:

"What is then the situation left by the recent decisions of the Privy Council? The decisions mean that this Parliament has no jurisdiction whatsoever to deal with unemployment insurance, no jurisdiction to deal with hours of labour, and no jurisdiction to deal with the subject of wages. I think it follows also from these decisions that Parliament has no jurisdiction to regulate or control industry, have left all these subjects within the jurisdiction of the provinces."

And yet we have a Throne Speech which utterly overlooks the duty of this Government in relation to these matters of social legislation.

Then, too, the declaration made by the Government in the Speech that the Winter Farm Relief Scheme is a work and wages programme and probably the most successful in Canada adds insult to injury. Sometime during the session, I intend to bring in a resolution dealing with the inefficiency and general all-round inadequacy of this branch of Government activity. Just now I am going to content myself with reading just three letters out of the many that come to my attention day after day on this particular thing.

The first is from Ranger, Saskatchewan, dated December 30, 1936:

"Dear Sir:

"I left home about the middle of September to look for work, because in our community at home and around there were no crops. I formerly lived at Gull Lake, but since there were no crops there, I left to find what work I could get.

"I got a job at Renown threshing for a while—only made about \$20.00 because threshing was about over when I got there.

"From there I went to Debden, where I got a job in a garage for a month. I expected two months' work there, but only got one month at \$15.00. So by the time I bought my clothes, I had nothing left.

"From there I went to Sreguer's and am working here under the \$5.00 a month plan, which I understand all single men out of work are entitled to and which a lot of them are getting around here. Well, I had my application filled out on November 4 and sent in, and about three weeks later I got an answer stating that I was not entitled to it, for I had work during the summer. So I wrote back and wanted to know the reason and they did not answer me.

"I went to Leoville to see Pat Boyd, relief man, about it, and he said he couldn't do anything about it at all. He asked me how I got up in this country and I told him I bummed my way on a freight looking for work. He told me I could bum my way back again. Well, if it was nice weather so I could get to where there was work, I would, but it isn't. I asked him for a transportation ticket and he said 'nothing doing' that he wasn't paying my way any place. In

fact, he said he didn't care what I did. So that's all the satisfaction I got out of him. He is the relief man here for this district. Well, if that is the kind of person the Government employs, I don't see what good they are to the people.

"This is the first time I have ever asked for relief of any description at all and I don't know as they can turn me flat, for I am working for this bonus the same as other men are doing, but cannot get it. If I cannot get this bonus, surely I can get a transportation home where I can get work. If I can't, I can stay home, so am asking you if you would look into the matter and see what can be done."

"Yours truly,

(Signed) REUBEN POFF,

Ranger, Sask.

c/o H. J. Sreguer."

Next: this comes from Clair in my own constituency, dated January 15, 1937:

"G. H. Williams.

"Dear Sir:

"Trust you will pardon the liberty I take in writing you, but on Mr. Horner's advice, I would like to tell you of the conditions we labor under the so-called Farm Scheme.

"I have been working for Mr. Horner since the 8th of October, 1936. I was sent out from the Saskatoon Employment Office on the Farm Scheme of \$5.00 per month. Up to date I have not received any money and have written for clothing, but received no answer.

"You will notice the statements running in the papers of the amount of cheques sent out to the farm labourers and farmers, and where it is sent. In this district there is a large number of farm help. Not one has received any cheque. Can you figure a man out in this cold weather hauling feed and cutting wood in light or summer clothing. Well, this is what is being done.

"Why don't this King Government pay us as they promised to do? So we could work and get ourselves clothes. The farmer boards us, but he can't clothe us. Why can't we get our money. On our papers is a clause which reads: 'Payment will be made in six weeks time and once a month afterwards.' It is nearly four months now and no signs of any cheque yet. Yet these statements keep running in the Press of what they are doing for the farmer and hired help under this Farm Scheme. I am a burnt out returned soldier, 51 years of age, and cannot stand up to this weather in light clothes. There are three of us here under the Farm Scheme. One man is working in a pair of light boots, and the other making mitts out of old overall patches. I had to beg Mrs. Horner to get me a pair of rubbers so I could do the work. The farmer wants the work done, but we are unable to do it owing to the Government not sending our wages as they promised so we could buy clothing and stay on the job.

"I would like very much to hear from you and hope you will take this matter up and help us get the cheques or wages as stated in the Press as being sent to us Farm Labourers.

"Thanking you very much,

"I remain,

Yours truly,

(Signed) HARRY RUSSELL,

c/o Fred Horner,

Clair, Sask."

This one is from Elbow, dated February 6, 1937:

"Mr. G. H. Williams, M.L.A.

"Dear Sir:

"I am writing you at this time believing the following information will be of interest to you.

"After receiving three months work last summer with the railway relief programme, I returned to Moose Jaw on the completion of that job. I have been a resident of that town since 1931, but am classed as a transient.

"After exhausting my meagre savings I applied for relief and finally, after many arguments, received one month's relief. At the end of that time I was cut off and told I must accept a farm job under the Government Scheme even though I had absolutely no experience. I willingly accepted and was told I would receive a clothing voucher shortly after arriving at my destination. I arrived here on December 28, 1936 and was informed that it was all outside work, and it was necessary to have heavy winter clothing immediately. My employer, being in the same fix as myself financially, we notified the Bureau of Labour and Public Welfare at Regina, and at the same time wrote Mr. Hogan at Moose Jaw, Employment Office. On January 7 I received a letter from Mr. Molloy, Commissioner for the Labour and Public Welfare, stating it would be necessary for my employer to write him at the office that I am in need of clothing. This was done, and finally on January 27, one month after I arrived here, I received an order for the enormous sum of three dollars. What on earth am I to buy with it?

"We are hauling feed five miles in sub zero weather, and at the present time am suffering from frozen ears and toes. No doubt there are thousands of cases such as mine, but what must we do? Is it necessary to take a month to obtain my request for clothing? Is three dollars enough for winter clothing such as required for the above conditions? I have proven my willingness to work, but must I suffer as stated above. My only reason for writing you is to inform you of these conditions.

"Thanking you for your kind attention and wishing you every success,

"I am,

Yours sincerely,

(Signed) H. FISHER."

And yet the Throne Speech lauds it as being the best work and wages programme in Canada!

We are pleased to note that there is a possibility of the Government at long last seeing the light with respect to refunding of the public debt. We trust that the financial survey and the refunding operations will become a reality rather than remain the nebulous things they now are.

We on this side of the House desire to join with the Government in expressing appreciation of the assistance given by the Federal Government in the irrigation project and rehabilitation in the drought area. We believe the formation of Credit Unions is a move in the right direction, and we are pleased to note the increase

in the school grants. We are pleased to be able to commend the Government even on these minor things. We hope, however, that the Government will not take our rather generous commendation of its relatively unimportant policies as an endorsement of its major sins. If it does, it will be placing itself in the position of a notorious criminal who expected to obtain a reprieve because he exhibited kindness of heart in stroking a kitten.

The Speech from the Throne forecasts that this is to be a tax imposing session. May I warn the Government that the path of increased taxation is the road to ruin. The people of the province, with some individual exceptions, are paying all the taxes they can now stand. It would be well for the Government to remember that the people of this province have only a certain sum of money to finance on and before further revenue can be obtained for the Government the income of the people has to be increased. This increase of income can be brought about in two ways, either by a direct increase of income itself or by protecting the people against exploitation by profit-seeking monopolies and combines.

Might I, therefore, suggest to the Government that it should take active steps to increase the income of the people of Saskatchewan by adopting the following policies.

Mr. McLeod (Bromhead): Dollar wheat!

Mr. Williams: When you had the opportunity of pegging wheat at one dollar, you, in collusion with the Federal Government, pegged it at 87½ cents.

This Government should take cognizance of the fact that various farmers' organizations and the Rural Municipal Association have demanded that the 1937 grain crops be marketed through the Canada Wheat Board and that a minimum price be set, such fixed minimum price to be equal to the cost of production as determined by the statistics provided by the University of Saskatchewan.

If this Government wants to do something for the farmer, it must take cognizance of the obvious fact that the farmers of the province require every cent their grain will bring. It is also quite obvious that no organization or group of organizations is in as strong a position to market the 1937 crop in a satisfactory manner as is the Canadian Wheat Board.

Mr. McLeod: Even with Mr. Murray at the head of it?

Mr. Williams: Yes, even with Mr. Murray at the head of it—provided he works for the people and not for the Grain Exchange. It's your job to see to that.

The development of the mineral resources of Northern Saskatchewan offers another opportunity to materially increase the income of the people of this province. It may be argued that the Provincial Government is unable to provide the necessary financial strength to develop these resources as a provincial enterprise. If that be the case why not take a hint from the practical Swede and socialize to the extent you find yourselves able to do so, by stipulating that there shall be a definite return on shares, the balance of the profits to go to the Provincial Treasury.

Premier: We have that now.

Mr. Williams: You have royalties.

Premier: We also have income tax.

Mr. Williams: Going round corners, you never get them.

Surely it is obvious that co-operation between public and private enterprise in joint development is better than no public participation whatever. Why fail to do anything simply because you cannot go all the way? A refusal to go even part way with public ownership and development because the province does not possess enough financial strength to take over all development constitutes either deliberate betrayal of the interests of the people of the province or lack of courage and confidence in the Government's own ability to grapple with current problems.

Millions of dollars are being taken out of this province in the form of profits by oil companies and various other monopolies. It lies within the power of this Government to set up provincial proprietary boards to either regulate or take over the wholesale distribution of those things within the province. This would not only save the people a great deal of money, now leaving Saskatchewan in the form of profits for monopolies, but would also open up new sources of revenue for the Government and should result in lower taxation.

It is not my intention to pursue this topic at the moment—the Budget debate will be on in due course; but I do wish to point out that no government of today can afford to remain orthodox and static—new times demand new methods. On this count the present Government is, as in most matters, a lamentable failure.

I have a feeling, Mr. Speaker, that this is or should be the last session of the Eighth Legislature of Saskatchewan. So miserably has the Government failed the people of this province that were the Government to go to the polls today, it would not carry a dozen seats. That idea does not originate with me, Mr. Speaker,

but with the Cabinet Ministers. The Ministers talk to people who in turn talk; and they say the Ministers told them they doubted if they would get a dozen seats.

I believe that no Government should hold power after it has lost the confidence of the electors. I realize, of course, that only a truly altruistic government would resign voluntarily, because it realizes it has lost the confidence of the people—and this is not an altruistic government. At one time it prided itself that it was a hard-boiled business government, but its members now realize it is not even that.

Realizing as I do, Mr. Speaker, that the present Government has failed the people of the province; realizing it does not possess sufficient altruism to resign voluntarily; realizing as I do that the failures of the Government have placed the individual private Liberal members on the spot; realizing that some, at least, of the members on the Government side of the House desire to express their disapproval of the policies of the Government, and realizing that some of them wish to dissociate themselves from Government policies, I am going to give them the opportunity to do so by moving an amendment to the Address, which will constitute a vote of lack of confidence in the present Government.

I desire, before doing so, to point out to the private members on the Government side of the House that the only effective way they can express disapproval of Government policies is to vote against the Government and if possible vote it out of power. May I remind them that they have already tried everything else, and have failed. They have tried putting their views forward in caucus, and have been overruled; they have tried chiding the Government in the House, and have got nowhere. The proof of their own sincerity demands that they take the only effective means of changing Government policy, namely, that of changing the Government itself.

In moving the motion of lack of confidence, Mr. Speaker, it is my intention to place it before the Assembly in proper form, moved and seconded, then to speak to the motion rather than to berate the Government first and move the motion later, as is the usual custom. My reason for so doing is that I wish the so-called rebels on the other side of the House to fully realize the responsibility of their decision when the vote comes. I therefore move, seconded by the honourable member for Cutknife (*Mr. Macauley*) that the following words be added to the motion:

"We respectfully submit to Your Honour that Your Honour's present advisors do not possess the confidence of the Citizens of Saskatchewan."

Speaking to the amendment which constitutes a motion of lack of confidence in the Government, I desire to point out that present responsibility for the deplorable financial position of the province lies directly at the door of this administration. At the time of last election, the people of this province were told that, if they elected Liberal Governments, Federal and Provincial, their troubles would be over. Possibly the election propaganda meant the people's troubles would be all over, because most certainly we still have troubles all over.

I hold in my hand, Mr. Speaker, one of the many pamphlets issued by the Liberal party prior to the provincial election of 1934 in which the Liberal party condemned the Conservatives in no uncertain terms because of the increase in the public debt.

Let us examine the facts. When the Conservatives came to power in 1929, the public debt stood at \$62,693,011. When they were defeated in 1934, it stood at \$148,019,928, an increase of \$86,314,917, or an increase of \$17,262,983 per year.

Two years after the present Government took office, we find that the public debt stands at \$192,635,510, an increase of \$44,615,582 in two years, or an increase of \$22,307,791 per year. And even at that I am giving this Government better than an even break because part of the reason for the increase in the public debt during the Conservative regime was due to a loan of over \$13,000,000 to the Wheat Pool. This loan increased the public debt by that amount because money had to be found to cover the advances, and bonds had to be sold to obtain the money. This increased the public debt, whereas the present Government not only has not had to find money for the Wheat Pool, but is in the favourable position of having some of this money repaid year after year, which they should have utilized to retire the borrowings and thereby decrease the public debt, but which they do use to pay interest and finance ordinary governmental expense.

Nothing was too mean, too cheap, no charge was too caustic for the present "encumbrances" of office to make, when speaking of the former regime. Their campaign literature was full of it. It is written: "Judge not lest ye also be judged."

When the present Government came to office, it knew, or pretended to know, the serious condition of provincial finances. What did it do about it? All it did was play Pollyanna and pray for rain. The former Premier kept insisting that a few good crops would clean everything up and still sings that song down in safe, secluded Ottawa. The present Premier follows in his master's footsteps. The Government knew it had a serious financial problem on their hands, yet all it did was to build political fences and wait for rain.

The Government failed to implement refunding operations and resolutely refused to obtain revenues by means of state-operated commercial enterprises.

We have in this House a man who has lauded the methods used in Sweden as being a proper example to follow. I refer to the honourable member for Arm River (*Mr. Danielson*). I wonder if he has urged on his colleagues the necessity of following the Swedish example during these two years when the Government was going farther and farther into the mire of debt to the tune of over \$22,000,000 a year. If he did, I wonder how satisfied he is with the lack of results he has obtained.

I was going to say something to the honourable member for Rosthern (*Hon. Mr. Uhrich*), but, unfortunately, he is not in his seat—and I do not like to say anything about a member when he is not here.

The present Government had a financial problem on its hands. It knew that because it berated the Conservatives about it. It knew the way Sweden had met a similar situation, because it tried to gather some reflected glory from Sweden by calling the Social Democrats “Liberals”—a statement which I think almost libellous—but, Mr. Speaker, in spite of the fact the Government knew it had a financial problem, in spite of the fact it knew how that problem had been solved in a country very similar to ours, it did nothing about it except wait for rain.

A strange irony exists between these two groups who sit here facing one another. Those on this side of the House realize that, if they had foregone their Socialistic doctrines they might now be sitting on Government seats and not in Opposition; while the members on the Government side realize—if, that is, they realize anything, that, unless they adopt the doctrines of Socialism, they cannot possibly hope to do the things they have promised to do as individual members.

This reflects itself in the illogical position Government members find themselves in when discussing such policies as have been adopted in Sweden, and when they seek to claim the Swedish Government is a Liberal government. They would fain claim such policies for Liberalism, but dare not move to put them into effect because they know they will bring Socialism to Saskatchewan—and that is the test they dare not make.

Then, Mr. Speaker, the crowning injustice of it all came last fall, when visible wheat supplies were low. This Government, in collusion with the Federal Government, deliberately harpooned the Wheat Board. This action cost the farmers of the West millions

of dollars,—dollars that would have been used to pay taxes, dollars that would have paid debts, dollars that would have meant less relief, dollars that would have bought clothes, food, dollars that would have brought happiness lost to Saskatchewan because of blundering or worse.

Finally, having failed to do the things they ought to have done to raise revenue, our Premier goes to Ottawa to importune the Federal Government and is met with a cold shoulder and a glassy eye. The Provincial Government probably feels that the Federal Government is unfair to it in assuming only a small portion of the relief costs. I wonder if the Government realizes that it is but being paid back in its own coin!

During the first year of the life of the present Government, when the Gardiner-Patterson régime placed the infamous *Seed Grain Advances Act* on the statute books, under which it is possible for mortgage companies to have the land covered by their own mortgages sown at the public expense, and under which distressed farmers are forced to increase their mortgages in order to get the seed—at that time the Provincial Government adopted a very hard-hearted attitude towards the farmer's plight. "No paternalism" was their cry; "let the farmers go to the mortgage companies and borrow money for the seed!" At that time the Provincial Government was more concerned with the condition of its own budget than it was with the position of the farmers. Today, the Federal Government is more concerned with the condition of its budget than with the position of this province. Both Governments, professing the same orthodox Capitalistic Liberal philosophy, exhibit the same hard-shell family traits.

We are told by the Press that the Western Premiers explained that, unless they were given assistance, they might have to default in their interest payments, and were told: "Possibly it would be as well if you did that." A nice mess for a "Business administration" to be in, is it not, Mr. Speaker? "Vote for Gardiner and Good Government" was the election cry; and within two years the same Government faces—default!

At this time I wish to remind the House that a contingent liability was set up under *The Seed Grain Advances Act*. Under this Act, the Government of the Province undertook to repay all advances made to tenants which remained outstanding in 1941, with interest at 5% compounded annually. Last year, this Government was unable to tell the House how much this contingent liability built up under this Act amounted to. I suspect this House is being allowed to drift quite blissfully into another mire of debt while the Government sits back and waits for rain.

We on this side of the House suggested that the money for the seed should be obtained from the Federal Government. We suggested that the Federal Government be asked to make a grant of direct Treasury issue money, such as the previous \$10,000,000 granted by the Federal Government to this province for relief purposes, and that the farmer be only charged with actual administrative costs. This the Government refused to do. In our opinion this House is at least entitled to know what the present liability is under the Government's scheme.

In one of my first speeches in this House, I warned the Government that if it plundered the treasury for patronage it would end where Newfoundland found herself—in bankruptcy; where a Royal Commission set up by the Imperial Government found, on investigating the state of affairs existing in that country, that political patronage was largely responsible for the condition. In spite of that warning, this Government has kept on adding to its army of inspectors and agents until even the Jacoby Commission also warns that the burden is too heavy.

Mismanagement—the Government just seems to bump from one thing to another. Not only did it get itself hopelessly in debt and everybody else with it, but it also failed to keep its pre-election promises with respect to the adjustment of debt. Let me quote the Liberal promises. I have here another of their pamphlets, and under the heading "What do the Liberals offer?" I read:

"The Liberal party believes that a survey of the relationships existing between creditor and debtor should be made in Saskatchewan immediately a Liberal Government is established. This survey would indicate that a certain percentage of the debt incurred in this province more particularly on agricultural lands was due to the policy followed by the Federal Government during war time to encourage the production of foodstuffs for war purposes. It will be found in the investigation that not only was the farmer encouraged to borrow in order that he might produce more, but creditors were encouraged to lend more liberally than they otherwise would have done. Both debtors and creditors are now suffering as a result of that policy. Under that policy men were encouraged to purchase more land and to even enter into and break up areas of this province which never should have been open for wheat growing.

Mr. Agar: That was done.

Mr. Williams: It was not done. You just kidded them.

"The Commission appointed to make the survey would be asked to determine the approximate amount of debt placed upon the people of this province through that national policy having to do with the prosecution of the War. A demand would then be made on the Federal Government based upon the resolution introduced on agricultural reconstruction into the Legislature, last Session, by the Liberal party for sufficient funds, which would be a charge on the debt of Canada and not on this province, to take care of adjustments which ought to be made between debtors and creditors and borne by the state rather than by the individual. This will assist in re-establishing agriculture."

It was done, eh?

"This commission would be asked to determine also the number of secured debtors in this province who have been in a position to pay their interest from year to year but have been unable to provide anything with which to retard principal amounts at present interest rates. They will also be asked to determine the average rate of interest which these debtors are paying and will be asked to propose a scheme and a rate of interest under which the indebtedness of such debtors may be amortized over a term of 20 to 30 years and paid off through the payment of a sum annually which would approximate the present interest payment."

Did the Government do these things? No, of course it did not. I doubt if it even intended to do them. It was just another election promise. It did set up an arm-chair commission under the direction of the Minister of Education, which extracted some figures from the urban and rural municipal reports and tabled this, along with a little eye-wash, as a report.

Can the Government tell me today what per cent. of the debts of the farmers of Saskatchewan are due to the national policy during the war? No. Of course it cannot.

Mr. Agar: You could though.

Mr. Williams: When I promise to do a thing, I do it. Put us over there and see what happens.

Did this Government make a demand on the Federal Government for sufficient funds to take care of adjustments which ought to be made between debtors and creditors? Did it ask Mr. Mackenzie King or even Mr. Bennett for this money in order that it might be able to reimburse creditors for adjustments made to debtors, which, Liberal election literature says, ought to "be borne by the state rather than by the individual?" Of course it did not.

Can the Government tell me the number of secured debtors in this province who have been able to pay their interest from year to year but have been unable to provide anything with which to retire principal amounts at present interest rates? No. Of course it cannot.

Can the Government tell me the average rate of interest solvent debtors of this province were paying when it came into power? A year after it took over? Two years after it took over? Can the Government even tell me what is the average rate of interest these solvent debtors are paying today?

Hon. Mr. Davis: Why ask all these questions when you know all the answers?

Mr. Williams: Because I want some of the members opposite to know how rotten this Government is.

This commission was to be asked to determine the average rate of interest which these debtors were paying and asked to propose a scheme and a rate of interest under which the indebtedness of such debtors might be amortized over a term of 20 to 30 years and paid off through the payment of a sum annually which would approximate the present interest payment. Did it propose such a scheme? Of course it did not. The whole thing was just eye-wash. This misleading propaganda was headed up—"What do the Liberals offer?"; and it was just like the rest of their promises—not worth the paper it is written on. Yet the Government still expects the decent-thinking private members on the other side (and there are some) to stand for it.

Instead of doing what they promised to do, the Government did, in my opinion, exactly what the mortgage companies told them to do. It foisted on the people of this province a renewal mortgage agreement by means of which the mortgage companies operating in this province have been put in a preferred position, while merchants and farmers are made to suffer. Under this agreement, the interest prior to 1935 is written off and the 1935-36 interest is added to the outstanding unpaid principal, increasing the mortgage by that amount. The farmer then becomes a tenant to the mortgage company. For the first three years this tenancy is under a crop lease clause under which the farmer is bound to deliver one-third of the total crop to the mortgage company, no matter whether the crop be large or small. Should he fail to do so, he may be prosecuted under the Criminal Code, and possibly sent to jail. In addition to this penalty, should the farmer fail to turn over the full one-third of the crop, the company may terminate his tenancy without notice. The amount paid from each crop is applied first on interest and, second, on the principal of the mortgage. If the amount obtained from the sale of the one-third of the crop does not take care of the payments of principal and interest due, the company agrees to carry such balances for the first three years, 1937, 1938 and 1939, provided the full one-third is turned in each year. In 1940, however, the basis of the agreement changes. The farmer still remains a tenant, but the basis of the tenancy shifts, the yearly rental being equal to the annual payments due of interest. The farmer, of course, is also responsible for yearly principal payments.

Should the farmer fail to meet such payments—ah! here comes the rub. The promise to carry unpaid balances ended at the end of the third year. From then on, the farmer has no promise that the company will not take action against him. Not only has the farmer no further promise of protection by the mortgage company, but the mortgage companies have a promise from the Govern-

ment that the Debt Adjustment Bureau will not be allowed to interfere with them. I quote the words of the Premier:

"Mortgage, seed, relief and tax adjustments made under the above arrangement will be final, and debt adjustment facilities will operate in this area only insofar as debts other than those referred to are concerned."

The farmer then finds himself out on a limb. He has to kick through with his payment to the mortgage company no matter who goes without.

Hon. Mr. Davis: I thought you were going to be here in three years.

Mr. Williams: I hope I will. I know you won't.

The farmer has to kick through, no matter who else goes without. He has been denied the protection of the Debt Adjustment Bureau, and will be threatened with action to obtain payment.

The farmer then is in a pretty pickle. The standard of living of himself and his family depends on what the mortgagee is willing to allow him to retain. All other disbursements become predicated by the necessity of meeting the mortgage company's payment first on the possible penalty of seizure for rent, ending the tenancy without notice, judgment, then a foreclosure action and, later on, a motion and order of possession.

An attempt has been made to give the impression that the tenancy clause is not important. It is very important. The reason mortgagees insert tenancy clauses in mortgages is to set up a landlord and tenant relationship between themselves and the mortgagors. A landlord has certain privileges, certain advantages with respect to collection that an ordinary mortgage does not give, and so the tenancy clause is added to facilitate collection. If there was a tenancy clause in the original mortgage (and in most mortgages there is), the mortgage company can, of course, fall back on the original mortgage. If not, the oversight is now fully remedied.

Judgment, foreclosure and eviction is a long slow process. Particularly is eviction hard to obtain; but—if the mortgagor can be placed in the position of a tenant, and if, in addition to that, a complacent government can be persuaded to give the mortgage companies a free hand at law so that they need not go to the Debt Adjustment Bureau, then the farmer is pretty well at the mercy of the mortgage company and everybody else is just out of luck.

Let us take an illustration. Let's take a farmer at Davidson or Windthorst who owes, say, the merchant, the machine company, some of his neighbours, his 1935, 1936 and, next fall, his 1937

taxes, and a mortgage company, and possibly for seed, feed and relief. He signs one of these renewal forms. Immediately he does so he forfeits all further protection from the Debt Adjustment Bureau insofar as taxes, relief advances and mortgage indebtedness are concerned. The Premier has said once an agreement is signed in the Red area, it is final. The farmer has no further protection against these claimants should they desire to take legal action against him; no protection against the mortgage company so far as the Debt Adjustment Bureau is concerned; but, if the merchant, his neighbour or the machine company want to take action through the courts, they must go to the Debt Adjustment Bureau and get a permit.

Hon. Mr. Davis: That is not right.

Mr. Williams: It is right. The result is the farmer pays his taxes. He knows he has to; taxes always have priority. He pays up his relief and his seed. He knows he has to. He pays the mortgage company—he knows he has to. Then he starts to worry about his other creditors, if he has anything left—and about his standard of living. Suppose some of these other creditors, seeing he has a good crop, say: “Well now, look! I am willing to write off some interest if you will make a substantial payment.” What happens? Well, if the farmer fails to turn in a full one-third of the crop, the mortgage company may lose it once, but they won’t lose it twice. The Attorney General says he won’t allow the man to be sent to jail; but he can’t stop the company distraining for rent. The Premier made it impossible for anyone to prevent seizures by the mortgage companies for rent when he took away the protection of the Debt Adjustment Board. The farmer will find that, just as soon as he begins to make arrangements with his other creditors, the mortgage companies will be on his doorstep with an order to distrain for rent. In addition, the mortgage company, having been given a free hand at law at the end of the third year, can go to the court if it wishes and get a judgment for its current and back payments while the rest of the creditors are still being held up by the Debt Adjustment Board from which they must get permits; and they can do that in the first three years, too, if the farmer has a crop and fails to deliver.

Now, what if he has only a fair crop? He figures out his taxes, his advances for seed and feed and his one-third to the mortgage company, and finds he has just enough left to live on afterwards—nothing for the unsecured creditor. Where do the other claimants come in? If he goes to the municipality and says, “Here, let me pay part of my taxes and refrain from distraining for the balance,” they will say, “No. We wrote off part of your taxes once”—so also with advances for seed, feed and relief; so also with the mortgage company.

If the farmer has a poor crop, he is in an even worse position. Creditors seem to have an awkward way of thinking the debtor's money should always stretch much farther than it can be made to stretch.

The whole thing is an attempt to make Saskatchewan safe for mortgage companies. The farmers, merchants and other creditors have simply been sold down the river.

This renewal is for ten years only, and is drawn up in a manner which requires the farmer to pay 6% interest and 5% of the principal each year for nine years. Thus in the tenth year he still has 55% of the loan to be paid in one payment, which in most cases will be impossible. How the Government hypnotized itself into believing that the farmers could liquidate mortgages in ten years that they have been unable to take care of in the last twenty, thirty and sometimes forty years, is beyond comprehension.

Perhaps the Government did comprehend, because today wealth is debt. Anyone with money today tries to find some way of earning interest with that money, some way of obtaining a perpetually safe bond or mortgage investment. The last thing the mortgage companies want is to have the mortgages paid; therefore, 55% is left until the last year so the mortgage will be again renewable, and they will still have the same investment with the other man paying interest to them. If we remember that mortgage companies and bond holders want a permanently safe method of obtaining the greatest amount of interest possible, that they really do not want the bonds or mortgages paid off and only want to realize on their collateral, as a last resort, we begin to understand the realities of a permanent debt-creating system in which one person's debt is another person's wealth—and we begin to understand why people are kept in debt.

Coupled with all this is the fact that mortgage contracts today allow the companies to place insurance contracts on the land and buildings and charge the premiums up against the mortgagor. In many cases these insurance policies are issued by a subsidiary or the parent company and, in reality, are largely book entries between two branches of the same organization. So far as the farmer is concerned, however, they are hard, cold, cash, and he finds himself charged up with a long list of costs and premiums which are added to the mortgage, keeping him permanently in debt.

I say to the Government, if it really wanted to do something for the farmer, it should have insisted on a contract which did away with these objectionable features and, in addition, spread the payment over a reasonable number of years with full privilege of prepayment, and included a crop failure clause stipulating that

in any year that the crop was of less value than a certain amount per acre no payment on principal would be due and no interest accrue. If this were done, mortgages would not grow in bad years, as they do now, and farmers would eventually pay off their mortgages; but, of course, that is the last thing the mortgage companies really want done.

Last year we, on this side of the House, suggested to the Government that *The Limitation of Actions Act* should be made to apply in individual cases where unreasonable creditors refused to make adjustments. The Government promised to look into the possibility of forcing adjustments by this method. What did it do about it? As usual, it did nothing but wait for rain. From time to time, we, on this side of the House, have made suggestion after suggestion on the various problems as they have come up in the House, only to have them met, as today, with derision and disdain. It would seem that the only people who can successfully make suggestions to this Government are the mortgage companies.

The agreement also provides that the farmer shall always be liable for the taxes in addition to his payments in every year when the total value of the crop exceeds ten bushels to the acre of No. 2 Northern.

Nor is this quite all. The mortgage companies also insisted that the back taxes, and seed and feed liens be written off—in some ways a very laudable action, but not in others. This writing off clears the title of encumbrances and my objection is

Hon. Mr. Davis: Are you objecting to that?

Mr. Williams: I am pointing out that in some cases that helps the mortgage companies because clearing the title makes foreclosure a much more desirable procedure than was heretofore the case. It also resulted in huge savings for the mortgage companies themselves who hold title to large blocks of land on which the taxes were unpaid. Altogether a very interesting little scheme, and one in which the mortgage company gets every advantage.

Hon. Mr. Davis: That's your idea.

Mr. Williams: And it is the people's idea. The mortgage companies obtained all these advantages by lowering their interest rate to 6% (which is still too high), and by the doubtful concession of writing off some interest they knew they could not collect. I have yet to see any of these renewal contracts in which any of the principal was written off.

Hon. Mr. Davis: Then you have not seen any.

Mr. Williams: I have seen a few, and only in a very few cases was the adjusted sum less than the amount of the original mortgage. Altogether an interesting little scheme—one in which, as I said before, the mortgage companies get every advantage.

Compare this so-called blanket debt adjustment scheme, my friends, with the pre-election promises which gave you your seats! It may be a blanket proposal all right, but it is a wet blanket. If you vote confidence in the Government you endorse this scheme—and I suggest you look well, my friends, before you leap.

Perhaps some of the members are consoling themselves with the thought that the Government cannot wipe out the farmers' protection under the Debt Adjustment Board without special legislation. Perhaps they are saying to themselves, "We will vote against that when the time comes." I warn them that the Government does not need to bring in special legislation to take away the powers of the Debt Adjustment Board. It may do it by Order in Council. If the members will read section 7 of Chapter 88 of the 1934-35 Statutes, they will find that the prohibition reads, "unless with the consent of the Board..." blanket consent may be given. Just as this Government did give blanket permits to creditors to seize, immediately after they came into office.

Hon. Mr. Davis: That statement is not true.

Mr. Williams: It is true. That action was taken without legislation. It may again be taken without legislation. This may be your only opportunity of voting to retain the protection of the Debt Adjustment Board for people who have had some interest written off by the mortgage companies.

Let's turn now to the proposals with regard to taxation.

Clauses 4 and 5 of the Liberal Platform, under the heading "Taxation", as contained in this pamphlet entitled "Platform Resolutions of the Saskatchewan Liberal Party" adopted at the Provincial Liberal Convention held at Moose Jaw, June 15 and 16, 1931, and by the Central Council of the Saskatchewan Liberal Party on September 27, 1932, and January 18, 1933, read as follows:

"The Liberal party pledges itself

"4. To tax luxuries rather than the necessary cost of living among wage-earners and people of small income.

"5. To lower taxation by reducing the cost of Government."

We find no suggestion anywhere in the Liberal Platform of adopting a policy of development of proprietary boards, such as the Liquor Board, to operate in other fields such as the wholesale

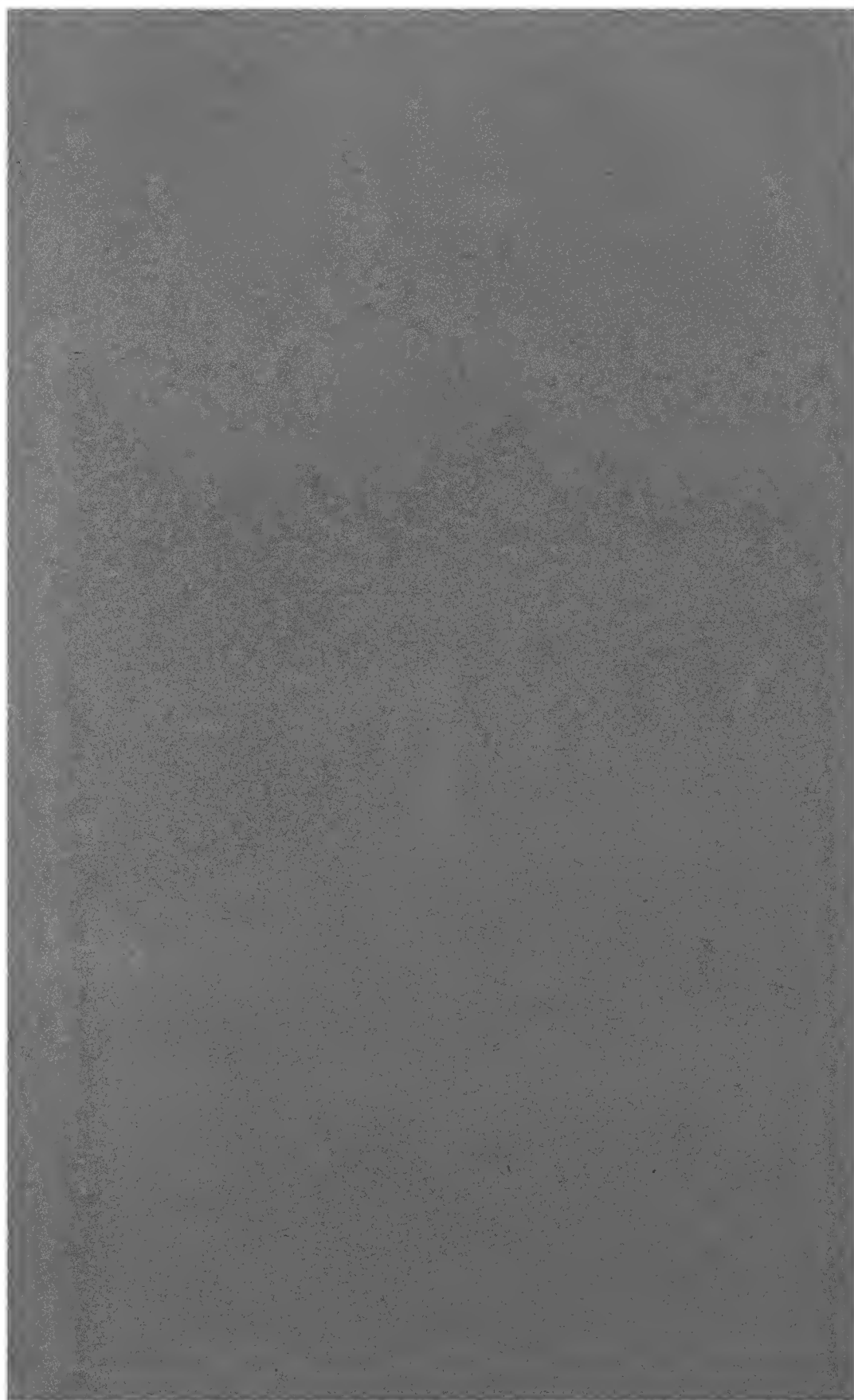
distribution of tobacco, fuel and lubricating oils, or state development of mineral resources. Perhaps, therefore, we should not too sharply criticize, in a lack of confidence motion, the failure of the Government to adopt policies its party does not believe in, save only to regret the lack of imagination and lack of progress evidenced by this failure to keep pace with modern thought and modern methods.

But the consumers' tax forecast in the Speech from the Throne is a direct breach of that part of the Platform which reads: "The Liberal party pledges itself to tax luxuries rather than the necessary cost of living among wage-earners and people of small income."

And again, a study of the Jacoby Report will reveal that the Government failed to keep the promise made in clause 5 of the Platform with respect to taxation, in which they promised to lower taxation by reducing the costs of government. On page 22 of the Jacoby Report it is shown that the cost of government has steadily risen since the present Government came into office.

The Liberal members must now choose between breaking faith with the people who elected them and refusing to support a Government which asks them to break their election pledges—between breaking faith and keeping faith with the people who elected them.

Mr. Speaker, I thank you.



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